



State of Utah

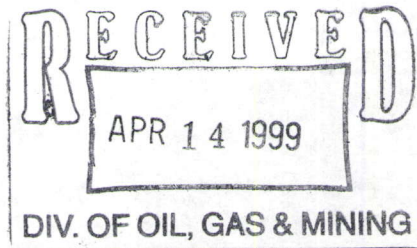
School and Institutional
TRUST LANDS ADMINISTRATION

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April 12, 1999



Fremont Corporation
c/o Lia Clark
P.O. Box 658
St. George, Utah 84771

Re: Notice of Intent to Commence Small Mining Operations, Metalliferous Minerals Lease
ML 43260, Emery County Utah, DOGM File S/015/076

Dear Lessee:

Thank you for your cooperation in complying with the stipulations imposed by the Trust Lands Administration's Board of Trustees when lands encompassed by ML 43260 were designated as lands within a Multiple Mineral Development Area. With resolution of the lease stipulations School and Institutional Trust Lands Administration (the "Trust Lands Administration") is prepared to proceed with approval of the Notice of Intent to Commence Small Mining ("NOI") as submitted by Mr. Michael Keller on February 19, 1998.

Fremont Corporation should be aware that portions of the access road to the mine site and portions of the "rim top stockpile pad" are location in Section 35, T. 22 S., R. 6 E., lands administered by the Bureau of Land Management ("BLM"). The Trust Lands Administration has no jurisdiction over BLM lands and therefore cannot sanction access or development on BLM lands.

The lands encompassed by the proposed mine site and access road that falls within the boundaries of state lands in Section 2, T. 23 S., R.6 E. are lands that are considered to have been previously disturbed and therefore will not require a cultural survey before commencement of your proposed small mine. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical, or paleontological remains be encountered during your operations you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

The NOI identifies a total of one (1) acres of surface disturbance. Trust Lands Administration rules require the posting of the reclamation bond to insure that all surface disturbances associated with the proposed mining activity will be fully reclaimed to the satisfaction of the Trust Lands Administration and in compliance with the State of Utah Mined Land Reclamation Act.

To insure reclamation as well as compliance with all other lease terms the Administration's rules require a surety bond in the amount of no less than \$ 5,000.00 per acres of disturbance.


Bonds may be accepted in any of the following forms:

- a) Surety bond with an approved corporate surety registered in the state of Utah.
- b) Cash deposit.
- c) Certificate of deposit in the name of only the School and Institutional Trust Lands Administration or in the name of the School and Institutional Trust Lands Administration and the Lessee, with three signatures required, two signatures will be those of the Trust Lands Administration and one of the Lessee. Two signatures will be required to collect on the certificate of deposit. The certificate of deposit must be issued by an approved state or federally insured banking institution registered in Utah. The certificate must have a maturity date no greater than 12 months, be automatically renewable and be deposited with the Trust Lands Administration.

Once the bonding requirement has been satisfied the Trust Lands Administration will proceed with final approval to commence with the proposed small mining operation.

Please feel free to contact me if you have any questions concerning your NOI approval.

Sincerely,



William M. Stokes
Minerals Resource Specialist

cc: Michael Keller, Van Cott, et. al.
William E. Sellier, Project Manager
Tony Gallegos, DOGM